



## Legislative Council Staff

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# Fiscal Note

**Drafting Number:** LLS 22-0295  
**Prime Sponsors:** Rep. Ricks  
Sen. Buckner

**Date:** February 3, 2022  
**Bill Status:** House Health & Insurance  
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**Bill Topic:** INTL MED GRADUATE INTEGRATE HEALTH-CARE WORKFORCE

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates two programs to assist International Medical Graduates entering the workforce and makes other regulatory changes. Starting in FY 2022-23, the bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$1.1 million to the Colorado Department of Labor and Employment.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 22-1050**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$1,122,878	\$1,120,273
	Centrally Appropriated	\$28,695	\$30,576
	<b>Total Expenditures</b>	<b>\$1,151,573</b>	<b>\$1,150,849</b>
	<b>Total FTE</b>	<b>1.9 FTE</b>	<b>2.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$168,432	\$168,041

## **Summary of Legislation**

The bill creates two programs for international medical graduates (IMG) - the IMG Assistance Program and the Clinical Readiness Program. It also allows the Department of Regulatory Agencies (DORA) to fund additional residency positions for IMGs, and makes other changes that allow IMGs to get medical licenses, as described below.

**IMG Assistance Program.** The bill creates the IMG Assistance Program to provide direct services to IMGs wishing to reestablish their medical careers in Colorado. The Colorado Department of Labor and Employment (CDLE) must contract with a third party to administer the program, and determine the eligibility criteria for participation in the program as well as any limits on the amount of direct services provided. Direct services for IMGs include:

- reviewing the background, education, training, and experience of program participants, and recommending steps to integrate into the healthcare workforce;
- providing technical support through the credential evaluation process, including preparation for tests and evaluations;
- providing scholarships to help cover cost of the licensure process;
- working with community organizations to develop a roster of interested IMGs, and
- providing guidance to apply for medical residency programs or other path ways.

In addition, the third-party administrator must annually submit a report to CDLE about the program, beginning one year after implementation.

**Clinical Readiness Program.** The bill creates the Clinical Readiness Program to help IMGs build the skills necessary to become successful residents in the United States medical system. By January 1, 2023, CDLE must contract with a Colorado-based medical school to serve as the program administrator. By January 1, 2024, the program administrator must develop and implement the clinical program and must have a mechanism for processing program applications, a program curriculum, and an assessment system to determine clinical readiness of program participants.

To qualify for the program, an applicant must be an IMG whose medical degree or qualifications have been determined to be equivalent to a medical degree from the United States or another country that has a reciprocal license agreement, and have achieved a passing score on the USMLE step one and step two examinations. Once a participant completes the curriculum and passes the program assessment, the program director must issue an industry recognized credential of clinical readiness and submit a recommendation to the assistance program administrator and CDLE. Starting January 1, 2025, the program director must annually submit a report to DORA about the program.

**Report.** The bill requires the CDLE to submit a report on the IMG Assistance Program and the Clinical Readiness Program as part of the department's SMART Act hearing.

**Funding residency programs for IMGs.** The bill allows DORA to award funding to interested residency programs, subject to available appropriations, to provide additional residency positions dedicated to IMGs. Residency positions must be approved by the Accreditation Council for Graduate Medical Education and DORA must adopt rules specifying eligibility criteria for IMGs to participate in a residency position. DORA may seek, accept, and expend gifts, grants, or donations to fund this program. DORA must report on any funding of residency positions in the department's annual SMART Act reporting.

**IMG degree equivalence.** Under current law, the Medical Board may require certain foreign medical students to complete three years of postgraduate clinical training. The bill reduces this requirement to one year and applies it to IMGs.

**Reentry licenses for IMGs.** The bill allows IMGs who hold a current or expired international license and satisfy other requirements established by the Medical Board to apply for a reentry license. The Medical Board may approve an assessment model to assess the competency of IMGs applying for a reentry license.

## State Revenue

Starting in FY 2022-23, the bill will minimally increase cash fund revenue in DORA from additional reentry licenses and gifts, grants, and donations, as described below.

**Reentry licenses.** Starting in FY 2022-23, revenue to the Professions and Occupation Cash Fund will increase to the extent IMGs apply for reentry medical licenses. The fiscal note assumes that the number of IMGs applying for reentry medical licenses, at least initially, will be minimal and any increase in revenue will likewise be minimal. Revenue from reentry medical licenses is subject to the state's TABOR limit.

**Gifts, grants, and donations.** The bill allows DORA to accept gifts, grants, and donations to fund additional residency positions for IMGs. The fiscal note has not identified any source for gifts, grants, and donations, so any increase in revenue is assumed to be minimal. Gifts, grants, and donations are not subject to the state's TABOR limit.

## State Expenditures

The bill increases state expenditures in the CDLE by \$1.2 million in FY 2022-23 and FY 2023-24 from the General Fund. The bill will also increase workload in DORA. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1050**

	FY 2022-23	FY 2023-24
<b>Department of Labor &amp; Employment</b>		
Personal Services	\$107,778	\$117,573
Operating Expenses	\$2,700	\$2,700
Capital Outlay Costs	\$12,400	-
IMG Program Contractors	\$1,000,000	\$1,000,000
Centrally Appropriated Costs <sup>1</sup>	\$28,695	\$30,576
<b>Total Cost</b>	<b>\$1,151,573</b>	<b>\$1,150,849</b>
<b>Total FTE</b>	<b>1.9 FTE</b>	<b>2.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Labor and Employment.** Starting in FY 2022-23, the CDLE will require 2.0 FTE to administer the two IMG programs established by the bill. These FTE will oversee and manage contracts with two contractors, help develop rules and other program criteria, and report on the two programs. Staffing costs include personnel services, operating expenses, and capital outlay costs, as shown in Table 1. Costs in FY 2022-23 are prorated to reflect the General Fund paydate shift.

- **IMG program contractors.** Starting in FY 2022-23, expenditures in CDLE will increase to contract with two parties to run the two new IMG programs. Based on similar programs offered in Minnesota, the fiscal note assumes that expenditures will increase by a total of \$1.0 million annually, of which \$700,000 is for the clinical readiness program, and \$300,000 is for the IMG assistance program. However, depending on the scope and size of the clinical readiness program, the program could be funded by up to \$7.0 million. Program appropriations are at the discretion of the General Assembly.

**Department of Regulatory Agencies.** Starting in FY 2022-23, workload in DORA will increase to update rules and to conduct any outreach to IMG applicants. This workload can be accomplished within existing appropriations. In addition, to the extent DORA receives gifts, grants, and donations, cash fund expenditures within DORA will increase to award funding for additional residency positions for IMGs. Because the fiscal note has not identified any source for gifts, grants, and donations, the fiscal note assumes DORA will not provide additional funding for residency positions. The General Assembly may appropriate additional funds to DORA to provide funding for additional residency positions.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Other Budget Impacts

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by an indeterminate amount, as described in the State Revenue section above. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$168,432 in FY 2022-23 and \$168,041 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$1,122,878 and 1.9 FTE to the Colorado Department of Labor and Employment.

## State and Local Government Contacts

Health Care Policy and Financing  
Information Technology  
Public Health and Environment

Higher Education  
Labor  
Regulatory Agencies